GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:351
ANSWERED ON:16.08.2001
HYDROCARBON RESERVES
RAMJI MANJHI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that as per the estimate, with the present production rate, the hydrocarbon reserves will be utilized fully by 2016 unless more recoverable reserves are found;

(b) if so, the steps, the Government propose to meet the growing energy requirements;

(c) whether there is any proposal to take the help of private sector in this regard; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

Minister of Petroleum & Natural Gas (Shri Ram Naik)

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question 351 for answer on 16.8.2001 regarding hydrocarbon reserves.

(a) & (b) : Reserves of hydrocarbons, i.e. crude oil and natural gas, as on 1.4.2001 were about 714 Million Metric Tonnes (MMT) of oil and 729 Billion Cubic Metres (BCM) of gas.The total oil and gas production in the country during 2000-01 was 32.46 MMT and 29.48 BCM respectively.Based on these production rates, the reserves are expected to last for about 22 years in respect of oil and 25 years in respect of gas. However, the accretion of hydrocarbon reserves is a continuous process whereby new reserves are added through various exploratory and development activities, undertaken with improved technology induction and significant investment, that result in new discoveries and growth of existing fields.

Several important steps have been taken to increase oil and gas production, which include :

(i) To improve the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes; in particular Oil and Natural Gas Corporation Limited (ONGC) has taken up 15 fields for this purpose at an estimatec investment of Rs. 10,000 crore, which would also help in accelerating oil production from these fields.

(ii) To increase exploration efforts through the New Exploration Licensing Policy (NELP).Under the first round of NELP, Production Sharing Contracts (PSCs) have been signed for 24 blocks in which works are in progress.Additionally, under the second round of NELP, PSCs have been signed on 17.7.2001 for 23 blocks.

(iii) To attract technology and investment; PSCs for 9 discovered fields, 8 in Gujarat and 1 in Assam, were signed on 23.2.2001 with consortia of Indian and foreign companies.

(iv) To explore in new areas, especially in deep water and difficult frontier areas, as also explore in the deeper layers of the producing fields.

(v) To develop faster the newly discovered fields and to step up the use of new technologies for seismic surveys, work over, stimulation operations, drilling of wells etc. in producing areas.

(vi) To acquire acreages abroad.

(c) & (d): Government has been offering exploration blocks to private companies since 1991 under various bidding rounds. In 1999 Government launched the NELP under which both National Oil Companies (NOCs) and private companies could bid for exploration blocks and so far two rounds of bidding have taken place. In addition, Government has offered discovered fields under two bidding

rounds to private companies. Lastly, under Coal Bed Methane (CBM) Policy, seven blocks have been offered in April, 2001for which both NOCs and private companies can bid.